

USASAC LEAN/SIX SIGMA TRANSFORMATION

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Initial USASAC Approach to Continuous Process Improvement



- ◆ USASAC began our Continuous Process Improvement program in Aug 04
- ◆ We chose to utilize a Lean approach to Continuous Process Improvement
- ◆ This approach emphasized Value Stream Analysis (VSA) and Rapid Improvement Events (RIE)
 - Toyota Production System
- ◆ We utilized a Sensei to guide us through the initial phase of our program and to help us conduct VSAs, RIEs and provide training
- ◆ When we began we had very little guidance from AMC, DA, or DoD on the conduct of process improvement
- ◆ In many cases we were in front leading the way in a "transactional" Lean environment

USASAC Lean Program Level of Effort



- ◆ USASAC has conducted 3 Lean/Six Sigma (LSS) Value Stream Analysis (VSA) on Army Security Assistance (SA)
- ◆ The VSAs resulted in 23 LSS Rapid Improvement Events (RIEs) that analyzed many of our processes
- ◆ The RIEs resulted in over 82 "Projects" and 147 "Do Its" that resulted in process changes
- ◆ To date over 190 Army Materiel Command (AMC) Foreign Military Sales (FMS) Admin Funded personnel have participated in a Lean event or received Lean training
- ◆ USASAC alone has had 112 personnel participate in at least one VSA or RIE event

USASAC Continuous Process Improvement Transformation



- ◆ DoD, DA, & AMC are now using and emphasizing a more project based Lean/Six Sigma (LSS) approach for Continuous Improvement
 - Heavy emphasis on the development of Sponsors, Green Belts, Black Belts, and Master Black Belts
 - Heavy emphasis on Green Belt and Black Belt projects
- ◆ At USASAC's Aug 06 Lean Alignment Review the decision was made to further transform our Continuous Process Improvement program to a more LSS Project based approach
- ◆ USASAC will now utilize the LSS DMAIC Model (Define, Measure, Analyze, Improve, Control) for Continuous Process Improvement
 - Emphasis will now be on belted projects
 - VSAs and RIEs will also be utilized as appropriate

USASAC Continuous Process Improvement Transformation



- ◆ To support this transformation USASAC conducted LSS Sponsor training for all USASAC and SAMD Senior Management in Nov 06
 - Sponsors are now responsible and accountable for project selection and implementation
- ◆ USASAC also conducted the first wave of Green Belt training for 25 Army Security Assistance (SA) personnel in Dec 06
 - We currently have 25 chartered Green Belt projects that have just passed a tollgate review and moved through the Define Phase and into the Measure phase of the DMAIC model
- ◆ USASAC will have an additional 25 SA Green Belts trained during the May/Jun 07 timeframe
- ◆ These Green Belts and the development of Black Belts should give us the personnel and tools required for an effective and organic Continuous Process Improvement program.

USASAC LSS Cost Savings & Efficiencies



- ◆ Cost by itself can be meaningless
 - We need to tie together cost, activity, performance (SMS), & workload to paint the entire picture
- ◆ LSS efficiency gains are not "found money". We are already dealing with declining FMS Admin budgets
- ◆ We are using LSS to maintain or increase performance in Army SA processes while budgets continue to decline and workload remains about the same or is increasing
- ◆ We have already taken a 15% cut FMS Admin Dollars from FY04 baseline
 - This equates to an even larger percentage cut of workforce
- ◆ We need to begin budgeting and re-aligning resources based on event and project outcomes

LSS Metrics Methodology



◆ Savings/Cost Avoidances

- ◆ PBC data or actual
 - Base line established based on available data and when RIE took place (i.e., measured against FY04, FY05)
 - Comparison of dollars reported over time at either Activity Code or Core Function level
- ◆ Without available PBC data, savings estimates from RIE team leader based on MCT, etc.

◆ Barometers for Dashboard

- ◆ Workload – CISIL and DSAMS data
- ◆ Quality/Performance – Case and 9YD Analyzer, CISIL and DSAMS data aligned with SMS where possible

Overview RIE #7

CPM/CCM Roles & Responsibilities



- ◆ Purpose was to clarify the roles and responsibilities of CPMs & CCMs
- ◆ Developed a recommended future state and redefined the roles and responsibilities of CPMs & CCMs
- ◆ Defined Non-complex cases
- ◆ Revised USASAC 10-1 on the roles and responsibilities of CPM and CCM
- ◆ Defined the process & tasks that make up CPM “Firefighting” as identified in VSA
- ◆ Metric: Cost & Quality
 - Savings to CF02 Activities

Metrics RIE #7

CPM/CCM Roles & Responsibilities



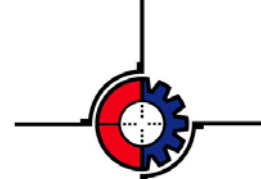
- ◆ Actual PBC Reporting: Decrease of about 7 work-years in CF2
- ◆ Workload: Increase in number of LOAs and Amendments processed
 - ◆ +13.7% increase over base line FY04-FY06 value
 - ◆ +9.5% increase in FY06 alone
- ◆ Performance / Quality (FPY): LOAs prepared with-in 120 Days
 - ◆ FY06 value is 97% of base line FY04 value
- ◆ Intangibles:
 - ◆ USASAC end strength is down, but workload increased
 - ◆ Transition of function creates trained workforce for key Case Development functions in anticipation of USASAC-Fort Belvoir BRAC move

What is really happening?



- ◆ Although we are showing savings in PBC what are we really seeing?
 - We have less dollars and people then we had in FY04
 - Are these savings all a result of this shrinkage?
 - Would we have shown these savings even without LSS?
- ◆ Have we re-deployed any employees based on a LSS event?
- ◆ Can we claim success if we are receiving 15% less FMS Admin Dollars and workload and performance remain the same or have increased?
- ◆ Are we using LSS results to drive budgets, to do re-deployment, and to do re-alignment of resources?
- ◆ Is LSS being used to implement command strategy?

Questions?



Lean Six Sigma
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